

TARTER KRINSKY & DROGIN LLP

*Attorneys for Erica Itzhak
Debtor and Debtor-in-Possession*
1350 Broadway, 11th Floor
New York, New York 10018
(212) 216-8000
Scott S. Markowitz, Esq.
smarkowitz@tarterkrinsky.com

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	
	:	Chapter 11
ERICA ITZHAK,	:	
	:	Case No.: 24-10669 (JPM)
Debtor.	:	
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STATUS REPORT

**TO: THE HONORABLE JOHN P. MASTANDO III
UNITED STATES BANKRUPTCY JUDGE**

Erick Itzhak (the “**Debtor**”) by her attorneys, Tarter Krinsky & Drogin LLP, submits this status report pursuant to section 1188(c) of the Bankruptcy Code as required by paragraph 4 of this Court’s Case Management Order dated July 15, 2024, and represents and states as follows:

1. The Debtor’s bankruptcy case was filed on April 19, 2024 (the “**Petition Date**”). Initially, the Debtor filed a pro se Chapter 13 case. Subsequently, the Debtor’s Chapter 13 case was converted to a Sub V Chapter 11 Case.
2. As set forth in various pleadings, as well as the Debtor’s Plan of Reorganization (the “**Plan**”) filed under ECF No. 51, the Debtor’s need for bankruptcy relief stems from a judgment entered against the Debtor (a practicing lawyer) in a malpractice lawsuit in the

Supreme Court of the State of New York, County of Nassau.¹

3. The procedural history related to the malpractice judgment is somewhat convoluted and set forth in some detail in the background section of the Plan as well as the stay relief motion filed under ECF No. 19.

4. Since the conversion to Chapter 11, the Debtor has made substantial efforts to engage all the key constituents in a settlement meeting with the Subchapter V trustee (the “**Trustee**”). The Trustee has agreed to meet with all the key constituents and the Debtor in an attempt to reach an agreement with respect to a consensual plan.

5. The key constituents are Yossef Kahlon (“**Kahlon**”), the holder of a malpractice judgment against the Debtor, Paul Verner (“**Verner**”) and Verner’s malpractice carrier. Very recently, both Kahlon and Verner have agreed to participate in a meeting with the Debtor and the Trustee.²

6. The Debtor expects the settlement meeting, with all the key constituents, will be held in mid-September. This meeting will also include Verner’s malpractice carrier, and the Debtor is hopeful the settlement meeting with the Trustee’s assistance, will result in a global settlement which will resolve all litigation among the parties. Presently, there are at least three (3) pending litigations and recently, Kahlon filed a notice of removal of the state court action pending in Nassau County Supreme Court under which Kahlon obtained his judgment against the Debtor.

¹ Although paragraph 9 of this Court’s Case Management Order required the Plan to be filed by October 1, 2024, because the conversion does not change the Petition Date, the Debtor filed the Plan within ninety (90) days from the Petition Date.

² Coincidentally, the same law firm represents Kahlon and Verner in the malpractice lawsuit the Debtor commenced against Verner.

7. The Debtor believes the way to move forward with the Plan on a consensual basis is for Kahlon to accept a reduced amount on account of his malpractice judgment, which will be funded by a settlement of the Debtor's malpractice lawsuit against Verner.

Dated: New York, New York
August 16, 2024

TARTER KRINSKY & DROGIN LLP

Attorneys for Debtor Erica Itzhak

Debtor and Debtor-In-Possession

By: /s/ Scott S. Markowitz

Scott S. Markowitz, Esq.

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